performing the services are not available, or because of location or for other reasons it is clearly impractical to utilize other laboratory services.

(8) Prior to performing any research and development or tests for private firms, CE laboratories will obtain a written certification from such firms stating that the results of the work to be performed will not be used in litigation or for promotional purposes.

§ 555.5 Terms of providing reimbursement for work performed.

(a) *Federal Agencies.* Reimbursement for work for the Department of Defense, the Department of the Army, and other Federal Agencies will be in accordance with the procedures prescribed in AR 37–27.

(b) *Private firms and Foreign Governments.* Funds to cover the total estimated cost of the work or an initial increment of the estimated cost based on an approved schedule of payment will be deposited with the installation performing the work before any obligations or expenses in connection with the work are incurred; and when funds are being deposited on an approved schedule, no obligations or expenses will be incurred in connection with the work in excess of funds on deposit. Charges shall include a surcharge of 15% of all applicable costs, except under the following conditions:

(1) When the final product will directly contribute to planning, design, research, or construction activities in which Federal funds are involved by grant or otherwise.

(2) Where an exception is granted based on a direct benefit to the Government. Adequate justification, outlining the direct benefits which are expected to accrue to the Government, will be forwarded to HQDA (DAEN-RD) WASH DC 20314, for review and approval prior to deletion of the surcharge.

(c) *State and Local Governments.* Work for State and local governments will be performed only to the extent that cash has been received and deposited with the U.S. Treasury in advance of actual expenditures. When the work for State and local governments is to be performed as part of an authorized Civil Works Project, reimbursement may be made in annual installments during

the period of performance in accordance with Section 40 of the Water Resources Development Act of 1974.

§ 555.6 Authority.

The following delegations of authority to perform research and development and tests apply.

(a) *Major Corps of Engineers Research and Development Laboratories.* The major Corps of Engineers research and development organizations are identified as WES, CERL, ETL, CERC, and CRREL. While not major CE R&D Laboratories, FESA, IWR, and HEC are responsible for performance of specific R&D functions.

(1) Subject to the provisions of § 555.8 of this regulation, the Commanders and Directors of WES, ETL and CRREL are authorized to perform direct funded work for DARCOM and DMA in accordance with the applicable memorandums of understanding.

(2) Subject to the provisions of §§ 555.7 and 555.9, the Commanders and Directors of CERL, CRREL, WES and FESA, for specific research and development functions, are authorized to perform work for DOE in accordance with the applicable memorandum of understanding.

(3) Except as provided for in paragraphs (a) (5) and (6) of this section, the Commanders and Directors of WES, CERL, CERC, CRREL, ETL and FESA are authorized to perform reimbursable work without OCE prior approval for Army agencies, Federal, State and local governmental agencies where the total estimated cost of each request for research and development or test is $50,000 or less. The Research and Development Office will be advised of each request for research and development or test having an estimated cost exceeding $20,000 (excluding cement sampling and testing work covered in § 555.6(a)(5) herein). Reimbursable research and development and test work for which the cost is estimated to be in excess of $50,000 will not be initiated until authorization is received. Written requests for authorization to conduct work beyond the $50,000 limit and notification of all scheduled work costing between $20,000 and $50,000 shall be submitted to DAEN-RD. These requests